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## 1. What is Contracts for Difference (CFD)?

It is an agreement between 2 parties to settle the difference between the opening and closing prices of the contract multiplied by the number of units of the underlying asset specified in the CFD. CFDs allow customers to participate in the price movement of an underlying product without actually owning the asset, which can be a share, an index, a commodity, etc.

Phillip CFD offers the following types of CFDs:

- Equities CFD [which includes Shares CFD and Shares Direct Market Access (DMA) CFD]
- ETF CFD and
- World Indices CFD

## 2. Key Features of Phillip CFD

### **Underlying Investment Product**

CFDs are derivative products and their prices track the underlying products closely.

### **ONE CFD Account – 3 Types of CFDs**

Existing CFD account holders do not need to open a new account to trade (DMA) CFD or World Indices CFD.

### **Placing of Overnight Orders**

Phillip CFD allows customers to place overnight orders for the next trading day.

### **Portfolio Diversification**

Customers can diversify their Shares and CFD portfolio with shares from Singapore, Hong Kong, Malaysia and United States or with indices from Singapore, Hong Kong, Japan, Taiwan and United States. To see which counters and indices are available for trading with Phillip CFD, please refer to [www.phillipcfd.com](http://www.phillipcfd.com).

### **Short Position**

A CFD allows customers to take a position on a share or on an index without actually having to buy and sell the shares themselves. Therefore, CFD customers can take short positions and not be limited to the T+3 days' contra period or the need to engage in SBL<sup>1</sup>.

### **Leverage**

As CFDs are leveraged products and traded on margin, customers only need a small percentage (as low as 5% for World Indices CFD and 10% for Equity CFD) of the total contract value to establish a position.

*Note: Phillip Securities Pte Ltd (hereby known as "PSPL") reserves the right to vary the required margin for the underlying securities and limit each customer's trading limit without prior notice*

### **30 Calendar Days Contract Period**

Each CFD contract has a contract period of 30 calendar days. Customers can choose to close the contract any time<sup>2</sup> before its expiration on the 30<sup>th</sup> calendar

<sup>1</sup> Securities Borrowing and Lending (SBL) facility allows customers to short the market by borrowing shares

<sup>2</sup> During the trading hours of the respective exchanges

day. If contracts are not closed out within 30 calendar days, they will be automatically renewed based on the market closing price of the underlying investment product on the 30<sup>th</sup> calendar day<sup>3</sup>. Unrealised profits, losses and finance charges will be realized on the 30<sup>th</sup> calendar day as well. There is no roll-over commission charged to customers for renewal of contracts.

***Sophisticated Trading Strategies***

Customers have the added ability to protect their existing shares portfolio against adverse market conditions by using CFDs to hedge their exposure via strategies such as pairs and spread trading.

### **3. KEY RISKS of CFD Trading**

It is important to note that there are risks involved in trading CFDs, which include the following, amongst others:

- ***Leverage Risk***

As CFDs are leveraged products traded on margin, the risk of any gain or loss in leveraged CFD trading can be amplified. The amount of initial margin required to be deposited in the customers' account prior to trading can be small relative to the value of the contract. A relatively small market movement will have a proportionately larger impact on the funds that customers have deposited or will have to deposit to maintain their position(s). However, if the market moves against the customer's position(s) or if margin levels are increased, the customer may be called upon on short notice to pay additional funds in order to maintain their position(s).

- ***Counterparty Risk***

CFD is an over-the-counter (OTC) leveraged product traded on an **off-exchange basis**. Off-exchange transactions are typically less regulated and are subjected to a separate regulatory regime. The firm with which customers conduct their transactions (which may be Phillip Securities, if Phillip Securities acts as your broker to effect a transaction with such firm, or another firm) may be acting as a counterparty to the transaction. Counterparty risk arises when the CFD provider fails to meet a due payment obligation under a CFD.

For example, if a holder of a long CFD contract has made a profit and is supposed to receive this gain from the CFD provider. A holder of a long CFD contract should note that he has no recourse to the underlying shares as he has not actually bought the underlying shares.

- ***Liquidity Risk***

As CFDs are traded on an OTC basis, they are subject to the availability of buy and sell prices and volume. Some CFDs have lower liquidity than others, which makes them more difficult to trade at the market price. When this happens, the CFD may not be sold within a reasonable time (if at all) or may be traded at a price which may not reflect its "fair" value.

For example, the customer may be required to lower his/ her asking price to sell the CFD, which may incur losses as a result.

- ***Order Type Risk***

When trading CFDs, customers can place certain orders (e.g. stop-limit orders). While these orders could limit losses to certain amounts in most instances, it may not be effective when market conditions make it difficult or impossible to execute such orders without incurring substantial losses.

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<sup>3</sup> If the 30<sup>th</sup> calendar day falls on weekend or public holiday, the contract will be renewed based on the market closing price of the next trading day

#### 4. IMPACT of Corporate Actions

Corporate actions of underlying securities that apply are as follows:

- **Dividends<sup>4</sup>**

A dividend adjustment will apply to Equities CFD one market day before the ex-dividend date of its quoted shares<sup>5</sup>. A dividend adjustment will apply for selected World Indices CFD, after the ex-dividend date of its underlying component stock. Dividend adjustments<sup>6</sup> will be credited or debited based on the customer's outstanding CFD positions (as of market close).

For example, the net dividend adjustment will be credited to the customer's account for long positions in Equities CFD and/ or World Indices CFD while the gross dividend adjustment will be debited from the customer's account for short positions in Equities CFD and/ or World Indices CFD.

Dividends adjustments are denominated in the respective instrument's settlement currencies.

Product	Dividend Adjustment
Straits Times Index SGD5 CFD	Yes
Singapore Index SGD20 CFD	
FBM KLCI MYR10 CFD	
FTSE China A50 Index USD1 CFD	
Hong Kong 40 Index HKD5 CFD	
H Shares Index HKD5 CFD	
Japan 225 Index JPY100 CFD	
Tokyo Index JPY1000 CFD	
Taiwan Index USD20 CFD	
Wall Street Index USD1 CFD	
US SP 500 Index USD5 CFD	No
US Tech 100 Index USD5 CFD	
US Rus2000 USD10 CFD	

- **Bonus<sup>7</sup>, Stock Splits, and Reverse Splits**

Quantity and price adjustment will apply to Shares CFD and (DMA) CFD to reflect the market equivalent. This is not applicable to World Indices CFD.

<sup>4</sup> Dividend adjustments will be made in the declared currency of the underlying shares. Where Phillip CFD does not provide a ledger for the declared currency, the dividend adjustment will be made in SGD. **In the event of scrip dividends, customers with long positions (as of market close) will receive credit dividend adjustments while customers with short positions will not receive the entitlement and will have to close off all positions one market day before ex-date.**

<sup>5</sup> Shares refer to the shares of companies listed on the respective exchanges

<sup>6</sup> For Asian markets (Singapore, Malaysia and Hong Kong), the dividend adjustments will be credited/ debited one market day before ex-date after market close. For US markets, the dividend adjustments will be credited/ debited on ex-date after market close

<sup>7</sup> **In the event there is a combination of Corporate Actions ("CA-Cum All"), where it includes corporate actions other than the above mentioned, customers may not be able to enjoy the entitlement and may be required to close off all open positions before the ex-date.**

E.g. ABC stock announces S\$0.05 dividend per share (which Phillip CFD caters for) & 1 for 10 rights issue at S\$0.60 (which Phillip CFD **does not** cater for). Ex-date for both Corporate Actions is on 1<sup>st</sup> October 11. Customers who are holding the above CFD positions will not be entitled to both the rights & dividends and will have to liquidate their CFD positions before ex-date.

**Note:** Notwithstanding the foregoing, Phillip Securities Pte Ltd reserves the right to close all open positions relating to the underlying security before the ex-date for any corporate action not mentioned above.

## 5. Settlement Currencies

All Phillip CFD contracts will be settled in the respective traded currencies. There will **NOT BE ANY AUTO CONVERSION from traded currencies to SGD and vice versa. Customer's MYR ledger will not be allowed to go into deficit and will automatically be converted into SGD should a deficit occur.** For all other currencies (should there be any margin deficit in the respective ledger), customers should submit currency conversion requests to Phillip Securities Pte Ltd to avoid margin debit interest.

For World Indices CFD:

Product	Settlement Currency
Straits Times Index SGD5 CFD	SGD
Singapore Index SGD20 CFD	SGD
FBM KLCI MYR10 CFD	MYR
FTSE China A50 Index USD1 CFD	USD
Hong Kong 40 Index HKD5 CFD	HKD
H Shares Index HKD5 CFD	HKD
Japan 225 Index JPY100 CFD	JPY
Tokyo Index JPY1000 CFD	JPY
Taiwan Index USD20 CFD	USD
Wall Street Index USD1 CFD	USD
US SP 500 Index USD5 CFD	USD
US Tech 100 Index USD5 CFD	USD
US Rus2000 USD10 CFD	USD

## 6. Margin Requirements<sup>8</sup>

**Ledger balance forward (b/f)** = Cash Deposits – Commission and GST ± Realised Profit or Loss

**Ledger carried forward (c/f)** = Ledger b/f ± Adjustments - Commission and GST ± Realised Profit or Loss - Realised Finance Charges

**Equity Balance** = Ledger c/f ± Unrealised Profit or Loss - Unrealised Finance Charges

**Available Cash or Funds for Withdrawal** = Equity Balance – MM ± Unrealised credit or debit interest

**Initial Margin (IM):** The required margin in the customer's CFD account prior to buying or selling any CFD contract.

**Maintenance Margin (MM):** The minimum amount of Equity Balance that must be

<sup>8</sup> All Profit or Loss and Portfolio Market Values are marked-to-market using the previous day's closing price

maintained in the customer's CFD account. The closing price will be used to calculate the maintenance margin.

**Force-liquidation Margin (FM):** Phillip CFD reserves the right to liquidate the CFD contract without prior notice when the Equity Balance falls below force-selling margin of 5%.

**Margin Excess (Available Cash) =** Equity Balance – MM

**Margin Deficit =** MM – Equity Balance

**Margin Call =** Equity Balance < Maintenance Margin of the Portfolio Market Value

Portfolio Market Value: **Includes all open CFD contracts as of market close**

- **A margin call amount equivalent to the difference between the Initial Margin (IM) and the Equity Balance will be made. The customer will have 2 business days to meet this margin call if the Equity Balance is less than maintenance margin of the portfolio. However, the customer will only have 1 business day to meet this margin call if the Equity Balance is less than 5% of the market value of portfolio.**
- **Margin call calculations are done at 6 am on the same day.**

Countries	Initial Margin <sup>9</sup> (IM)	Maintenance Margin <sup>10</sup> (MM)
Singapore Malaysia Hong Kong United States	from 10%	from 10%

## 7. Margin Excess / Deficit Interest<sup>11</sup>

Based on customers' funds in excess of those utilized towards the required margin (margin excess), any credit balance will accrue a competitive interest based on the following:

Amount	Credit Interest
> SGD 50,000	0.10% p.a.
> HKD 50,000	0.10% p.a.
> USD 50,000	0.15% p.a.

Margin Deficit will incur a penalty debit interest charge of:

Currency	Interest on Debit Balance
SGD	6.00% p.a.
USD	7.00% p.a.
HKD	7.00% p.a.

<sup>9</sup> Phillip CFD reserves the right to amend margin requirements from time to time. Please refer to [www.phillipcfid.com](http://www.phillipcfid.com) for margin requirement of individual CFD counters

<sup>10</sup> The marked-to-market closing price will be used to calculate the MM

<sup>11</sup> Customers are advised of the rates upon account opening. Rates may change from time to time at the discretion of Phillip CFD. Please refer to [www.phillipcfid.com](http://www.phillipcfid.com) for updates

JPY	4.20% p.a.
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## 8. Lot Size and Minimum Contract Size

### Singapore/ Malaysia/ Hong Kong Equities CFD:

Please refer to the Phillip CFD product list at [www.phillipcfid.com](http://www.phillipcfid.com) for respective lot sizes and minimum contract sizes.

### US Shares CFD:

All Phillip US Shares CFDs are traded on per share basis.

### World Indices CFD:

Minimum trade size for all World Indices CFD is 1 contract.

## 9. Additional Requirements & Restrictions

- **For HK Shares CFD**

	Requirement
HK Live Price Feeds	<p>HK Shares CFD prices are delayed. Monthly HK live price feeds are chargeable. To view HK Shares CFD live prices, customers are required to subscribe to this service. Customers will still be able to trade HK Shares CFD if they do not wish to subscribe for HK live prices.</p> <p>Please refer to <a href="http://www.poems.com.sg">www.poems.com.sg</a> for more information.</p>

- **For US Shares CFD and US World Indices CFD**

	Requirements
W8-BEN form	<p>W-8BEN Form is a requirement by U.S. Inland Revenue Service for account holder to declare that the beneficiary owner of the amount received from US sources is not a US person. Submission of this Form is compulsory. Please note that U.S Persons/Canada Citizens/US Taxpayers are not eligible to trade in U.S. markets through Phillip Securities Pte Ltd. The W8-BEN form is available at:</p> <ol style="list-style-type: none"> <li>1. <a href="http://www.poems.com.sg">www.poems.com.sg</a> &gt; Help Centre &gt; Online Forms</li> <li>2. <a href="http://www.phillipcfid.com">www.phillipcfid.com</a> &gt; Application Forms</li> <li>3. Phillip Investor Centres</li> </ol>
US Live Price Feeds	<p>Customers are required to subscribe to the service in order to view US Shares CFD live prices and monthly US live price feeds are chargeable. Customers will still be able to trade US Shares CFD if they do not wish to subscribe for US live prices.</p> <p>Refer to <a href="http://www.poems.com.sg">www.poems.com.sg</a> for more information</p>

	Restriction
Single account	Single account holders (Shares Margin account with CFD account)

holders	facility under one combined ledger) are not allowed to trade US Shares CFDs and US Indices CFD.
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## 10. Phillip CFD Contracts Available

Please visit our website at [www.phillipcf.com](http://www.phillipcf.com) to download the latest list of equities, ETFs and World Indices CFD available for trading with Phillip CFD.

## 11. Market Trading and Order Submission Hours (Singapore time)

Shares CFD:

	Singapore	Malaysia	Hong Kong	United States
<b>Order Submission Hours:</b>	0901hrs – 1659hrs <sup>12</sup>	0901hrs – 1230hrs 1430hrs – 1645hrs	0916hrs – 1200hrs 1300hrs – 1558hrs	0700hrs – 0400hrs next day (DS <sup>13</sup> ) OR 0700hrs – 0500hrs next day (Non-DS <sup>13</sup> )
<b>Non-submission period</b>	1659hrs – 1715hrs	0500hrs – 0700hrs 1645hrs – 1700hrs	1558hrs – 1615hrs	0359hrs – 0415hrs, 0500hrs – 0700hrs (DS <sup>30</sup> ) OR 0459hrs – 0700hrs (Non-DS <sup>30</sup> )
<b>Partially Done Order<sup>14</sup>:</b>	Yes	Yes	Yes	Yes

(DMA) CFD:

	Singapore	
<b>Trading Hours:</b>	Pre-Open Session	0830hrs – 0859hrs
	Non-Cancel Period <sup>15</sup>	0859hrs – 0900hrs
	Trading Session	0900hrs – 1700hrs
	Pre-Close Session	1700hrs – 1705hrs
<b>Non-submission Period:</b>	1705hrs – 1715hrs 0500hrs – 0700hrs	

World Indices CFD:

World Indices CFD	Market Trading Hours (Monday to Friday, Singapore time)	Non-submission Period
Straits Times Index SGD5 CFD	0901hrs – 1659hrs	1659hrs – 1715hrs 0500hrs – 0700hrs
Singapore Index SGD20 CFD	0831hrs – 1709hrs	1709hrs – 1725hrs 0500hrs – 0700hrs
FBM KLCI MYR10 CFD	0846hrs – 1245hrs, 1430hrs – 1713hrs	1713hrs – 1730hrs 0500hrs – 0700hrs
FTSE China A50 Index USD1 CFD	0901hrs – 1528hrs	1528hrs – 1545hrs 0500hrs – 0700hrs
Hong Kong 40 Index HKD5 CFD	0916hrs – 1200hrs, 1300hrs – 1613hrs	1613hrs – 1630hrs 0500hrs – 0700hrs

<sup>12</sup> From 1 August 2011 onwards

<sup>13</sup> DS = Daylight Savings; Non-DS= Non-Daylight Savings

<sup>14</sup> Submitted Phillip CFD orders can be partially done, fully done or rejected. However, if the order is partially done, the remaining amount will be routed back to the queue.

<sup>15</sup> Orders submitted will only be processed after the Non-Cancel period. Similarly, any attempts to withdraw the orders will only be processed after the Non-Cancel period. There might be cases where orders are filled during the Non-Cancel Period and which might lead to unsuccessful withdrawal of orders.

H Shares Index HKD5 CFD	0916hrs – 1200hrs, 1300hrs – 1613hrs	1613hrs – 1630hrs 0500hrs – 0700hrs
Japan 225 Index JPY100 CFD	0746hrs – 1424hrs	1424hrs – 1440hrs 0500hrs – 0700hrs
Tokyo Index JPY1000 CFD	0801hrs – 1030hrs, 1130hrs – 1359hrs	1359hrs – 1415 hrs 0500hrs – 0700hrs
Taiwan Index USD20 CFD	0846hrs – 1344hrs	1344hrs – 1400hrs 0500hrs – 0700hrs
Wall Street Index USD1 CFD	0700hrs – 0400hrs <sup>16</sup> (DS <sup>13</sup> ) 0700hrs – 0500hrs <sup>16</sup> (Non-DS <sup>13</sup> )	0500hrs – 0700hrs
US SP 500 Index USD5 CFD	0700hrs – 0400hrs <sup>16</sup> (DS <sup>13</sup> ) 0700hrs – 0500hrs <sup>16</sup> (Non-DS <sup>13</sup> )	0500hrs – 0700hrs
US Tech 100 Index USD5 CFD	0700hrs – 0400hrs <sup>16</sup> (DS <sup>13</sup> ) 0700hrs – 0500hrs <sup>16</sup> (Non-DS <sup>13</sup> )	0500hrs – 0700hrs
US Rus2000 Index USD10 CFD	0801hrs – 0400hrs <sup>16</sup> (DS <sup>13</sup> ) 0901hrs – 0500hrs <sup>16</sup> (Non-DS <sup>13</sup> )	0500hrs – 0700hrs

## 12. Modes of Order Submission

Phillip Shares CFD, CFD DMA and World Indices CFD orders can be placed through POEMS, Phillip CFDTrader 2 or through the customer's Trading Representative.

Phillip Securities has the discretion to halt trading at any time. Examples of instances where trading may be halted include (but is not limited to):

- i. Volatile market conditions
- ii. Disruption to IT services

Do note that any limit order for Equities CFDs submitted at prevailing market bid/ask prices exceeding the following limit(s) might be rejected or delayed subject to our approval:

### Shares CFD (whichever has a lower contract value)

- Maximum quantity per order: 500,000 shares
- Maximum contract value per order: S\$300,000

### (DMA) CFD (whichever has a lower contract value)

- Maximum quantity per order: 500,000 shares
- Maximum contract value per order: S\$500,000

It is therefore highly recommended for you to split large orders into multiple smaller ones for submission.

Spreads for World Indices CFD are subject to variation, especially in volatile market conditions. Please note that the target spread of the World Indices CFD may be adjusted at Phillip Securities' discretion.

### • **Order Fill**

All Shares and World Indices CFD orders are done based on the Bid/Ask Price of the underlying counter or index. Investors who want to Buy (Long) a CFD counter can submit a Buy order based on the current **Ask** Price, or queue below the current **Ask** price. The order will be executed once the desired Ask price is triggered.

<sup>16</sup> Order Submission Hours: 0700hrs – 0400hrs next day (DS) OR 0700hrs – 0500hrs next day (Non-DS)

Conversely, a customer can also submit a Sell (Short) CFD order based on the current **Bid** Price, or queue above the current **Bid** price. The order will be executed once the desired Bid price is triggered.

Last Done price (based on cash market) will not trigger the execution of the trade [except for (DMA) CFD trades]. Orders which are submitted between the current bid/ask spread or orders which are worse off than current bid/ask prices would be rejected, however this does not affect advanced orders sent via CFDTrader 2.

Short selling of Hong Kong Shares CFD is subject to uptick rule restriction. Customers who want to Sell (Short) Hong Kong CFD Shares must queue one bid higher than the current **Bid** price.

Example:

The Current CFD Bid/Ask price of counter ABC is S\$7.94/S\$7.95. (Illustration A)

A customer can either Buy @ the current market price of S\$7.95 or he can choose to place a queue order to Buy lower than S\$7.95. In this case, the customer submitted a queue order to **buy (Long)** 10,000 ABC shares @ S\$7.94.

The Buy trade would be executed once the CFD Ask price is triggered. (Illustration B) Last Done Price would not trigger the order to get done.

**Illustration A**

Last Done Price will not trigger the order to be executed

Chart	Contract	R	CFD Bid	CFD Ask	Buy Vol	Sell Vol	Total Vol	Last Done	Change	%Change	Open	High	Low
C	ABC		7.940	7.950	90	133	6,541	7.940	-0.080	-0.998	7.970	8.000	7.910

**Illustration B**

Order will be done

Chart	Contract	R	CFD Bid	CFD Ask	Buy Vol	Sell Vol	Total Vol	Last Done	Change	%Change	Open	High	Low
C	ABC		7.93	7.94	90	133	6,541	7.940	-0.080	-0.998	7.970	8.000	7.910

*The above examples are for illustration only. Please see below for the types of order fill and the conditions.*

(DMA) CFD orders are based on last done price and based on price/ time priority (not bid/ ask prices).

- **Types of Order Fill**

Equities CFD and World Indices CFD orders can be fully done, partially done or fully rejected. For partially done orders, the executed quantity will be less than the submitted quantity by the CFD customer. The partially done quantity will be executed solely at the discretion of Phillip CFD depending on the liquidity of the stock and the underlying market circumstances. When this happens, the CFD order status of the remaining unfilled orders will be stated as “working”.

In accordance with the changes in market conditions and its risk management policies, Phillip CFD reserves the right to reject all new orders for underlying counters that Phillip CFD offers, especially for shorting.

### 13. Order Types and Queue Restrictions

#### Definition of different order types

Limit Order	An order to buy or sell at a specific price upon submission (or better). The order entered must be at prevailing market prices, or better as
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	compared to the current market's quotes, otherwise the order will be rejected.
Stop Limit Order	An order that combines the features of stop order and a limit order. Once the stop price is reached, the stop-limit order becomes a limit order to buy or to sell at a specified price (or better).
Trailing Stop Order	A trailing stop limit order is a stop limit order set at a percentage below/above the market price (For Long/Short position). The price is adjusted as the market price fluctuates.
One Cancels Other (OCO) Order	An order stipulating that if one part of the order is executed, the other part is automatically cancelled.
If Done Order	A contingent order that is a limit order which will not be activated until the parent order is executed.
Contingency Order	A limit order that is not activated until the specified condition is met.
Market Order	An order to buy or sell a stock at the current market price.

- **Limit Order for Shares CFD**

Buy order will be done when price indicated is the same as the Ask Price, after pre-execution checks are satisfied.

Sell order will be done when price indicated is the same as the Bid Price, after pre-execution checks are satisfied.

Market:	Queue restrictions for limit order type:
Singapore (Shares CFD)	Queue up to +/- 20% from the current Bid/Ask price
Hong Kong	Queue up to +/- 20 bids from the current Bid/Ask price
Malaysia	Queue up to +/- 20% from the current Bid/Ask price
United States	Queue up to +/- 15% from the current Bid/Ask price

- **Limit Order for (DMA) CFD**

Orders are done based on last done price, based on price/time priority (not bid/ask prices)

- **Limit Order for World Indices CFD**

Buy limit orders will be done when price indicated is the same as the Ask Price, after pre-execution checks are satisfied.

Sell limit orders will be done when price indicated is the same as the Bid Price, after pre-execution checks are satisfied.

Market Last Done Price will not trigger any World Indices CFD orders to be done.

World Indices CFD	Queue Restrictions for Limit Orders
Straits Times Index SGD5 CFD	Queue up to $\pm$ 10% of current Bid/Ask price
Singapore Index SGD20 CFD	
FBM KLCI MYR10 CFD	
FTSE China A50 Index US1 CFD	
Hong Kong 40 Index HKD5 CFD	

H Shares Index HKD5 CFD	Queue up to $\pm 10\%$ of current Bid/Ask price
Japan 225 Index JPY100 CFD	
Tokyo Index JPY1000 CFD	
Taiwan Index USD20 CFD	
Wall Street Index USD1 CFD	
US SP 500 Index USD5 CFD	
US Tech 100 Index USD5 CFD	
US Rus2000 USD10 CFD	

**Note:** The limit price entered must be a better price as compared to the current market's quotes; otherwise the order will be rejected.

- **Synthetic Orders** (Stop Limit, Trailing Stop Limit, Contingency, If Done and OCO [One-Cancels-Other])

Synthetic orders are available on CFTrader 2 for Shares CFD trades. For all synthetic orders submitted via the CFTrader 2, pre-execution checks such as account status, fund sufficiency, credit limit adequacy and short selling availability will be performed upon order triggering instead of order submission. Short-sell orders may be rejected much later as a result.

Order triggering example:

Market price for counter A is S\$3.90/ S\$3.91 (CFD Bid/ CFD Ask) at 10am.

Customer places the following order:

<b>Platform</b>	CFTrader 2
<b>Action</b>	New Short Sell
<b>CFD Type</b>	Shares CFD
<b>Order Type</b>	Stop Limit order
<b>Stop Price</b>	S\$3.88
<b>Limit Price</b>	S\$3.85
<b>Quantity</b>	20 lots

At 12pm, if the market price drops to S\$3.88/ S\$3.89, it matches the stop price (CFD Bid). The stop limit order is triggered, thereby prompting the system to perform availability (quantity) check for this counter. If system returns with a nil quantity available, the order will be rejected. The above order is rejected at order trigger and not at the order submission.

- **Market Order (only for US markets)**

A market order is an order to buy or sell Shares CFDs at the current market price. The customer only indicates the quantity to be executed and the system will generate a fill. It should be noted that the price which the customer pays when the customer's order is executed may not always be the price he/she obtained from the price quotes. This may be especially true in fast-moving markets where CFD prices are generally more volatile. It should also be noted that orders submitted before US Trading hours could be done at a worse off price, in the event that the market gaps up or down.

**Customers should note that all orders will be closed out on a First-in First-out basis. Phillip CFD reserves the right to withdraw any orders in the event of a price error arising from an erroneous price feed.**

### Order Types available for the different countries

Order Types	Shares CFD				Shares CFD (DMA) <sup>17</sup>
	Singapore	Malaysia	Hong Kong	United States	Singapore
Limit Order	✓	✓	✓	✓	✓
Stop Limit Order	✓	✓	✓	✓	✓
Trailing Stop Order	✓	✓	✓		✓
OCO Order	✓	✓	✓		✓
If Done	✓	✓	✓		✓
Contingency Order	✓	✓	✓		✓
Market Order				✓	

Customers may close out an existing (DMA) CFD position by submitting an order based on the opposite leg of an existing (DMA) CFD position. All orders are closed out based on a first-in-first-out (FIFO) basis. **Please note that a Shares CFD order cannot be used to close out a (DMA) CFD position and vice-versa. Should the customer choose to do so, he will end up with open positions on both Shares CFD and (DMA) CFD and may require additional margin.**

#### 14. Minimum Deposit

Customers are required to put up an initial amount of S\$3,000 into the CFD account before any trade can be initiated.

#### 15. Funds Withdrawal

The lower of the previous day's day-end margin excess and the margin excess at the time of processing, will be the maximum amount available for withdrawal. The withdrawal request will be rejected if the submitted withdrawal amount is greater than the afore-mentioned.

**Note: Customers are reminded to exercise due caution that withdrawal of funds might result in a margin call. Withdrawals, whether by way of electronic transfer or cheque, will only be made out in the name of the account held with Phillip Securities Pte Ltd. Customers should refer to [www.phillipcfd.com](http://www.phillipcfd.com) for the terms and conditions governing the withdrawal of CFD funds.**

#### 16. Fees & Charges<sup>18</sup>

- **Commission Rates for Shares CFD**

*All commission rates are charged on an amalgamated basis, unless otherwise stated.*

Countries	Commission	Minimum Commission
Singapore <sup>19</sup>	<u>Index Component Shares</u> 0.2%	S\$25 / US\$18 / HK\$150
	<u>Non-Index Component Shares</u> 0.3%	

<sup>17</sup> Phillip CFD sends a corresponding order to the exchange for the counter upon receipt of the customer's (DMA) CFD order. For more information on (DMA) CFD, please read the (DMA) CFD product summary.

<sup>18</sup> Rates are subject to changes. Please refer to [www.phillipcfd.com](http://www.phillipcfd.com) for the latest promotions

Malaysia <sup>19</sup>	0.6%	RM60
Hong Kong <sup>19</sup>	0.4%	HK\$150
United States <sup>20</sup>	0.25%	US\$25

Upon contract rollover, the new contract value will be the last done price (on T+30) multiplied by the contract quantity.

- **Finance Charges for Shares CFD**

Countries	Long Finance Charges (DR)	Short Finance Charges (DR)	Remarks
Singapore	5.5% p.a.	3.0% p.a., 4.0% p.a., 6.0% p.a. or 8.0% p.a.	Based on 100% marked-to-market contract value
Malaysia	5.5% p.a.	4.0% p.a.	
Hong Kong	5.5% p.a.	8.0% p.a.	
United States	5.0% p.a.	4.0% p.a.	

- **Commission Rates for (DMA) CFD**

Countries	Commission	Minimum Commission
Singapore	<u>Index Component Shares</u> 0.33% <u>Non-Index Component Shares</u> 0.33%	S\$25 / US\$18 / HK\$150

- **Finance Charges for (DMA) CFD**

Countries	Long Finance Charges (DR)	Short Finance Charges (DR)	Remarks
Singapore	5.5% p.a.	8.0% p.a.	Based on 100% marked-to-market contract value

- **Commission Rates for World Indices CFD**

Products <sup>21</sup>	Commission (GST applicable - rates indicated are before GST)
Straits Times Index SGD5 CFD	S\$10 (per side/lot basis)
Singapore Index SGD20 CFD	S\$8 (per side/lot basis)
FBM KLCI MYR10 CFD	RM10 (per side/lot basis)
FTSE China A50 Index USD1 CFD	US\$5 (per side/lot basis)
Hong Kong 40 Index HKD5 CFD	HK\$150 (per side/lot basis)
H Shares Index HKD5 CFD	HK\$75 (per side/lot basis)
Japan 225 Index JPY100 CFD	¥1000 (per side/lot basis)
Tokyo Index JPY1000 CFD	¥1000 (per side/lot basis)

<sup>19</sup> Commission will be calculated on amalgamation basis. Settlement is in the respective currencies

<sup>20</sup> Commission will be calculated on a per trade and not amalgamation basis. Settlement is in USD.

<sup>21</sup> Settlement will be done in the respective traded currencies

Taiwan Index US20 CFD	US\$10 (per side/lot basis)
Wall Street Index USD1 CFD	US\$10 (per side/lot basis)
US SP 500 Index USD5 CFD	US\$8 (per side/lot basis)
US Tech 100 Index USD5 CFD	US\$10 (per side/lot basis)
US Rus2000 Index USD10 CFD	US\$8 (per side/lot basis)

- **Finance Charges for World Indices CFD<sup>18</sup>**

Whilst holding onto a World Indices CFD contract, customer's account will incur finance charges that are computed on a daily basis based on 100% of the marked-to-market contract value.

Product	Long Finance Charge (DR) <sup>22</sup>	Short Finance Charge (DR) <sup>222</sup>
Straits Times Index SGD5 CFD	5.5 % p.a.	3.0 % p.a.
Singapore Index SGD20 CFD	5.5 % p.a.	3.0 % p.a.
FBM KLCI MYR10 CFD	4% p.a	3% p.a.
FTSE China A50 Index USD1 CFD	4% p.a	3% p.a.
Hong Kong 40 Index HKD5 CFD	5.5 % p.a.	3.0 % p.a.
H Shares Index HKD5 CFD	5.5 % p.a.	3.0 % p.a.
Japan 225 Index JPY100 CFD	5.5 % p.a.	3.0 % p.a.
Tokyo Index JPY1000 CFD	5.5 % p.a.	3.0 % p.a.
Taiwan Index USD20 CFD	5.5 % p.a.	3.0 % p.a.
Wall Street Index USD1 CFD	5.5 % p.a.	3.0 % p.a.
US SP 500 Index USD5 CFD	5.5 % p.a.	3.0 % p.a.
US Tech 100 Index USD5 CFD	5.5 % p.a.	3.0 % p.a.
US Rus2000 Index USD10 CFD	5.5 % p.a.	3.0 % p.a.

## 17. Modes of Payment

Mode	Details
<b>Cash</b>	Payment can be made at the cashier counter in Phillip Securities Pte Ltd's main office (Raffles City Tower). Customers must specify that the payment is for his/her CFD account. Cash payment must be made in Singapore Dollars.
<b>Cheque</b>	Cheques should be crossed and made payable to "Phillip Securities Pte Ltd". Please state the CFD trading account number, name and contact number on the reverse of the cheque, and specify that the payment is meant for your CFD trading account.  If cheque payment is in USD or MYR, Phillip Securities only accepts cheques drawn from a bank in Singapore and Malaysia respectively.
<b>EPS</b> (Electronic Payment for Shares)	Please select "Lump Sum" payment and initiate payment before 9 pm to ensure the CFD ledger is credited by the next market day.  • For Cash Management (KC), Margin (M), Custodian (C),

<sup>22</sup> Based on 100% daily marked-to-market contract value

	<p>Phillip Financial (V) and SBL (B) accounts: Please submit an online internal funds transfer form to transfer funds from Stocks trading ledger to CFD ledger before 10am.</p> <ul style="list-style-type: none"> <li>For Cash Trading (T) accounts: Please inform your Trading Representative (“TR”) the EPS payment is meant for your CFD trading account before 10am the next market day.</li> </ul>
<b>Bill Payment</b>	<p>Please select “Phillip Securities” and initiate payment before 9 pm to ensure the CFD ledger is credited by the next market day. Consumer / Bill reference code required through the participating banks is as follows:</p> <ul style="list-style-type: none"> <li>DBS / POSB / OCBC 20&lt;TR Code&gt;&lt;Last 6 digits of trading account number&gt;</li> <li>UOB 20&lt;Full 7 digits of trading account number&gt;</li> <li>Standard Chartered Bank / Maybank &lt;Full 7 digits of trading account number&gt;</li> </ul> <p>To know your TR code, log in to POEMS &gt; Stocks &gt; Acct Mgmt &gt; Update Particulars &gt; Remisier (TR) Code. If the TR code is more than 2 alphabets, please enter TR code as TT.</p> <ul style="list-style-type: none"> <li>For DBS/ UOB accounts: Please submit an online internal funds transfer form to transfer funds from Stocks trading ledger to CFD ledger before 10am.</li> <li>For Maybank/ OCBC/ Standard Chartered Bank accounts: Please inform your Trading Representative (“TR”) the bill payment is meant for your CFD trading account before 10am the next market day.</li> </ul>
<b>Internal Funds Transfer</b>	Customers can initiate online funds transfer from shares or futures trading account to CFD trading account or through TR.
<b>Telegraphic Transfer (“TT”)</b>	Please specify CFD trading account number and name along with the telegraphic transfer. Kindly inform your TR after the TT transfer that the TT amount is meant for CFD trading account. Customers are liable to pay for all telegraphic transfer charges. Please see below for Phillip Securities Pte Ltd’s TT details for the respective currencies.

#### Telegraphic transfer bank details

Currency	Singapore Dollars
Bank name	Citibank N.A. Singapore
Address	3 Temasek Avenue #14-00 Centennial Tower Singapore 039190
Beneficiary	Phillip Securities Pte Ltd - Trust Account
Account Number	0-700104-109
Swift Code	CITISGSG

Currency	US Dollars
Bank name	Standard Chartered Bank Singapore
Address	6 Battery Road #10-05

	Singapore 049909
<b>Beneficiary</b>	Phillip Securities Pte Ltd - Trust Account
<b>Account Number</b>	017-402-5599
<b>Swift Code</b>	SCBLSGSG

<b>Currency</b>	<b>Hong Kong Dollars</b>
<b>Bank name</b>	Standard Chartered Bank Singapore
<b>Address</b>	6 Battery Road #10-05 Singapore 049909
<b>Beneficiary</b>	Phillip Securities Pte Ltd - Trust Account
<b>Account Number</b>	017-404-0431
<b>Swift Code</b>	SCBLSGSG

<b>Currency</b>	<b>Malaysia Ringgit</b>
<b>Bank name</b>	Malayan Banking Berhad
<b>Address</b>	Menara Maybank 100 Jalan Tun Perak 50050 Kuala Lumpur
<b>Receiver</b>	Phillip Securities Pte Ltd - Trust Account
<b>Account Number</b>	514-011-392-951
<b>Swift Code</b>	MBBEMYKLCUS

<b>Currency</b>	<b>Japanese Yen</b>
<b>Bank name</b>	HSBC
<b>Address</b>	21 Collyer Quay HSBC Building Singapore 049320
<b>Receiver</b>	Phillip Securities Pte Ltd - Trust Account
<b>Account Number</b>	260-283775-178
<b>Swift Code</b>	HSBCSGSG

## 18. Closure of Account

An administrative fee of up to S\$1.07 (inclusive of GST) will be charged for account closure with credit balance of S\$1.00 or below.

## 19. Retrieval of Statement

An administrative fee will be levied for the retrieval of CFD monthly statements as follows:

Period	Administrative fee <sup>23</sup>
Up to 1 year	S\$21.40 per statement

<sup>23</sup> Fee stated is inclusive of GST

More than 1 year	S\$32.10 per statement
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Note: Statements are not available beyond the statutory retention period of 5 years.

## 20. Comparison Table: Key differences of markets offered under Shares CFD

Countries	Singapore	Malaysia	Hong Kong	US
Order Type(s)	Limit, Stop Limit, Trailing Stop, OCO, If Done, Contingency Orders	Limit, Stop Limit, Trailing Stop, OCO, If Done, Contingency Orders	Limit, Stop Limit, Trailing Stop, OCO, If Done, Contingency Orders	Limit, Stop Limit and Market Orders
Market Trading Hours:	0900hrs – 1700hrs <sup>12</sup>	0900hrs – 1230hrs; 1430hrs – 1645hrs	0930hrs – 1200hrs; 1300hrs – 1600hrs	2130hrs – 0400hrs next day (DS <sup>13</sup> ) OR 2230hrs – 0500hrs next day (Non-DS <sup>13</sup> )
Partially Done Order	Yes	Yes	Yes	Yes

## 21. Phillip CFD Working Examples

- **Shares CFD Long Example**

A customer is bullish on XYZ component share and decides to buy (LONG) 15 lots of XYZ share at S\$2.30. Customer can trade XYZ component share on stocks or Shares CFD. Assume margin requirement for XYZ component stock is 10% with leverage of 10 times. (Minimum commission of S\$25 for CFD or shares)

	Scenario 1: Positions are closed 20 days later @ S\$2.50		Scenario 2: Positions are closed 20 days later @ S\$2.10	
Original Investment	Long CFD S\$3,450	Long Shares S\$34,500	Long CFD S\$3,450	Long Shares S\$34,500
Quantity (shares)	15,000	15,000	15,000	15,000
Opening contract value (Day 1)	(S\$34,500)	(S\$34,500)	(S\$34,500)	(S\$34,500)
Opening commission (incl. GST)	S\$34,500 * 0.2% * 1.07 = (S\$73.83)	S\$34,500 * 0.28% * 1.07 = (S\$103.36)	S\$34,500 * 0.2% * 1.07 = (S\$73.83)	S\$34,500 * 0.28% * 1.07 = (S\$103.36)
Clearing & Access fees (incl. GST)	S\$0	S\$34,500 * 0.0475% * 1.07 = (S\$17.53)	S\$0	S\$34,500 * 0.0475% * 1.07 = (S\$17.53)
Finance Charge <sup>24</sup> (based on daily marked-to-market prices)	S\$34,500 * 5.5% * 20/365 = (S\$103.97)	S\$0	S\$34,500 * 5.5% * 20/365 = (S\$103.97)	S\$0
Closing contract value (Day 20)	S\$37,500	S\$37,500	S\$31,500	S\$31,500
Closing Commission (incl. GST)	S\$37,500 * 0.2% * 1.07 = (S\$80.25)	S\$37,500 * 0.28% * 1.07 = (S\$112.35)	S\$31,500 * 0.2% * 1.07 = (S\$67.41)	S\$31,500 * 0.28% * 1.07 = (S\$94.37)

Clearing & Access fee (incl. GST)	<b>S\$0</b>	$S\$37,500 * 0.0475\% * 1.07 = (\$19.06)$	<b>S\$0</b>	$S\$31,500 * 0.0475\% * 1.07 = (\$16.01)$
Net Gain or (Loss)	<b>S\$2,741.95</b>	<b>S\$2,747.70</b>	<b>(S\$3,245.21)</b>	<b>(S\$3,231.27)</b>
<b>Return on Equity</b> (Net Gain or Loss/ Original Investment)	<b>79.48%</b>	<b>7.96%</b>	<b>(94.06%)</b>	<b>(9.37%)</b>

- **Shares CFD Short Example**

A customer is bearish on XYZ component share and decides to sell (SHORT) 30 lots of XYZ share at S\$1.00. Customer can trade XYZ component shares on stocks after borrowing shares using SBL facility, or use Shares CFD to short-sell XYZ component share. Assume margin requirement for XYZ component share is 10% with leverage of 10 times. (Minimum commission of S\$25 for CFD or shares)

	Scenario 1: Positions are closed 20 days later @ S\$0.90		Scenario 2: Positions are closed 20 days later @ S\$1.10	
<b>Original Investment</b>	<b>Short CFD</b> <b>S\$3,000</b>	<b>Short Shares (SBL)</b> <b>S\$10,000</b>	<b>Short CFD</b> <b>S\$3,000</b>	<b>Short Shares (SBL)</b> <b>S\$10,000</b>
Quantity (shares)	<b>30,000</b>	<b>30,000</b>	<b>30,000</b>	<b>30,000</b>
Opening contract value (Day 1)	<b>S\$30,000</b>	<b>S\$30,000</b>	<b>(S\$30,000)</b>	<b>(S\$30,000)</b>
Opening commission (incl. GST)	$S\$30,000 * 0.2\% * 1.07 = (\$64.20)$	$S\$30,000 * 0.28\% * 1.07 = (\$89.88)$	$S\$30,000 * 0.2\% * 1.07 = (\$64.20)$	$S\$30,000 * 0.28\% * 1.07 = (\$89.88)$
Clearing & Access fees (incl. GST)	<b>S\$0</b>	$S\$30,000 * 0.0475\% * 1.07 = (\$15.25)$	<b>S\$0</b>	$S\$30,000 * 0.0475\% * 1.07 = (\$15.25)$
Finance Charge <sup>24</sup> (based on daily marked-to-market prices)	$S\$30,000 * 8.0\% * 20/365 = (\$131.51)$	$S\$30,000 * 8.0\% * 20/365 = (\$131.51)$	$S\$30,000 * 8.0\% * 20/365 = (\$131.51)$	$S\$30,000 * 8.0\% * 20/365 = (\$131.51)$
Closing contract value (Day 20)	<b>(S\$27,000)</b>	<b>(S\$27,000)</b>	<b>S\$33,000</b>	<b>S\$33,000</b>
Closing Commission (incl. GST)	$S\$27,000 * 0.2\% * 1.07 = (\$57.78)$	$S\$27,000 * 0.28\% * 1.07 = (\$80.89)$	$S\$33,000 * 0.2\% * 1.07 = (\$70.62)$	$S\$33,000 * 0.28\% * 1.07 = (\$98.87)$
Clearing & Access fee (incl. GST)	<b>S\$0</b>	$S\$27,000 * 0.0475\% * 1.07 = (\$13.72)$	<b>S\$0</b>	$S\$33,000 * 0.0475\% * 1.07 = (\$16.77)$
Net Gain or(Loss)	<b>S\$2,746.51</b>	<b>S\$2,675.32</b>	<b>(S\$3,266.33)</b>	<b>(S\$3,345.70)</b>
<b>Return on Equity</b> (Net Gain/Original Investment)	<b>91.77%</b>	<b>26.75%</b>	<b>(108.88%)</b>	<b>(33.46%)</b>

- **(DMA) CFD Long Example**

A customer is bullish on XYZ component share and decides to buy (LONG) 15 lots of XYZ share at S\$2.30. Customer can trade XYZ component share on stocks or Shares (DMA) CFD. Assume margin requirement for XYZ component stock is 10% with leverage of 10 times. (Minimum commission of S\$25 charges for (DMA) CFD or shares)

	Scenario 1: Positions are closed 20 days later @ S\$2.50		Scenario 2: Positions are closed 20 days later @ S\$2.10	
<b>Original Investment</b>	<b>Long (DMA) CFD</b> <b>S\$3,450</b>	<b>Long Shares</b> <b>S\$34,500</b>	<b>Long (DMA) CFD</b> <b>S\$3,450</b>	<b>Long Shares</b> <b>S\$34,500</b>
Quantity (shares)	<b>15,000</b>	<b>15,000</b>	<b>15,000</b>	<b>15,000</b>
Opening contract value (Day 1)	<b>(S\$34,500)</b>	<b>(S\$34,500)</b>	<b>(S\$34,500)</b>	<b>(S\$34,500)</b>
Opening commission (incl.)	$S\$34,500 * 0.33\% * 1.07 = (\$121.82)$	$S\$34,500 * 0.28\% * 1.07 = (\$103.36)$	$S\$34,500 * 0.33\% * 1.07 = (\$121.82)$	$S\$34,500 * 0.28\% * 1.07 = (\$103.36)$

GST)				
Clearing & Access fees (incl. GST)	<b>S\$0</b>	$S\$34,500 * 0.0475% * 1.07 = (\mathbf{S\$17.54})$	<b>S\$0</b>	$S\$34,500 * 0.0475% * 1.07 = (\mathbf{S\$17.54})$
Finance Charge <sup>25</sup>	$S\$34,500 * 5.5% * 20/365 = (\mathbf{S\$103.97})$	S\$0	$S\$34,500 * 5.5% * 20/365 = (\mathbf{S\$103.97})$	S\$0
Closing contract value (Day 10)	<b>S\$37,500</b>	<b>S\$37,500</b>	<b>S\$31,500</b>	<b>S\$31,500</b>
Closing Commission (incl. GST)	$S\$37,500 * 0.33% * 1.07 = (\mathbf{S\$132.41})$	$S\$37,500 * 0.28% * 1.07 = (\mathbf{S\$112.35})$	$S\$31,500 * 0.33% * 1.07 = (\mathbf{S\$111.23})$	$S\$31,500 * 0.28% * 1.07 = (\mathbf{S\$94.37})$
Clearing & Access fee (incl. GST)	<b>S\$0</b>	$S\$37,500 * 0.0475% * 1.07 = (\mathbf{S\$19.06})$	<b>S\$0</b>	$S\$31,500 * 0.0475% * 1.07 = (\mathbf{S\$16.01})$
Net Gain/Loss	<b>S\$2,641.80</b>	<b>S\$2,747.69</b>	<b>(S\$3,337.02)</b>	<b>(S\$3,231.28)</b>
<b>Return on Equity</b> (Net Gain/Original Investment)	<b>76.57%</b>	<b>7.96%</b>	<b>(96.73%)</b>	<b>(9.37%)</b>

- **(DMA) CFD Short Example**

A customer is bearish on XYZ component share and decides to sell (SHORT) 30 lots of XYZ share at S\$1.00. Customer can trade XYZ component shares on stocks after borrowing shares using SBL facility, or use Shares (DMA) CFD to short-sell XYZ component share. Assume margin requirement for XYZ component share is 10% with leverage of 10 times. (Minimum commission of S\$25 charges for CFD or shares)

	Scenario 1: Positions are closed 20 days later @ S\$0.90		Scenario 2: Positions are closed 20 days later @ S\$1.10	
Original Investment	Short (DMA) CFD S\$3,000	Short Shares (SBL) S\$10,000	Short (DMA) CFD S\$3,000	Short Shares (SBL) S\$10,000
Quantity (shares)	<b>30,000</b>	<b>30,000</b>	<b>30,000</b>	<b>30,000</b>
Opening contract value (Day 1)	<b>S\$30,000</b>	<b>S\$30,000</b>	<b>(S\$30,000)</b>	<b>(S\$30,000)</b>
Opening commission (incl. GST)	$S\$30,000 * 0.33% * 1.07 = (\mathbf{S\$105.93})$	$S\$30,000 * 0.28% * 1.07 = (\mathbf{S\$89.88})$	$S\$30,000 * 0.33% * 1.07 = (\mathbf{S\$105.93})$	$S\$30,000 * 0.28% * 1.07 = (\mathbf{S\$89.88})$
Clearing & Access fees (incl. GST)	<b>S\$0</b>	$S\$30,000 * 0.0475% * 1.07 = (\mathbf{S\$15.25})$	<b>S\$0</b>	$S\$30,000 * 0.0475% * 1.07 = (\mathbf{S\$15.25})$
Finance Charge	$S\$30,000 * 8.0% * 20/365 = (\mathbf{S\$131.51})$	$S\$30,000 * 8.0% * 20/365 = (\mathbf{S\$131.51})$	$S\$30,000 * 8.0% * 20/365 = (\mathbf{S\$131.51})$	$S\$30,000 * 8.0% * 20/365 = (\mathbf{S\$131.51})$
Closing contract value (Day 10)	<b>(S\$27,000)</b>	<b>(S\$27,000)</b>	<b>S\$33,000</b>	<b>S\$33,000</b>
Closing Commission (incl. GST)	$S\$27,000 * 0.33% * 1.07 = (\mathbf{S\$95.34})$	$S\$27,000 * 0.28% * 1.07 = (\mathbf{S\$80.89})$	$S\$33,000 * 0.33% * 1.07 = (\mathbf{S\$116.52})$	$S\$33,000 * 0.28% * 1.07 = (\mathbf{S\$98.87})$
Clearing & Access fee (incl. GST)	<b>S\$0</b>	$S\$27,000 * 0.0475% * 1.07 = (\mathbf{S\$13.73})$	<b>S\$0</b>	$S\$33,000 * 0.0475% * 1.07 = (\mathbf{S\$16.77})$
Net Gain/Loss	<b>S\$2,667.22</b>	<b>S\$2,675.32</b>	<b>(S\$3,353.96)</b>	<b>(S\$3,344.57)</b>
<b>Return on Equity</b> (Net Gain/Original Investment)	<b>88.91%</b>	<b>26.84%</b>	<b>(111.80%)</b>	<b>(33.52%)</b>

- **World Indices CFD Long Example**

A customer is bullish on the Straits Times Index and purchases 1 contract of Straits Times Index SGD5 CFD worth S\$12,000 at a price of 2,400 points. The value of 1 index point is S\$5.

**Scenario 1: Positions are closed 3 days later at a higher value**

	CFD Bid	CFD Ask	Closing Price
DAY 1	2,394	2,400	2,390
Day 2			2,430
DAY 3	2,440	2,446	

Opening Contract of 1 Contract ( <i>Day 1</i> )	(S\$12,000.00)
Opening Commission (incl. GST) Per side per lot basis	(S\$10.70)
Total Financing Charges Qty * Closing Price * Value of 1 Index Point * FC / 365 days * 1 day  <u>FC for Day 1</u> = 1 * 2,390 * S\$5 * 5.5% / 365 * 1 day = S\$1.80  <u>FC for Day 2</u> = 1 * 2,430 * S\$5 * 5.5% / 365 * 1 day = S\$1.83	(S\$3.63)
Closing Contract Value ( <i>Day 3</i> )	S\$12,200.00
Closing Commission (incl. GST) Per side per lot basis	(S\$10.70)
Net Gain	S\$174.97
Margin	S\$600.00
Return on Equity=(Net Gain/Original Investment)	29.2%

**Scenario 2: Positions are closed 3 days later at a lower value**

	CFD Bid	CFD Ask	Closing Price
DAY 1	2,394	2,400	2,390
Day 2			2,430
DAY 3	2,360	2,366	

Opening Contract of 1 Lot ( <i>Day 1</i> )	(S\$12,000.00)
Opening Commission (incl. GST) Per side per lot basis	(S\$10.70)
Total Financing Charges Qty * Closing Price * Value of 1 Index Point * FC / 365 days * 1 day  <u>FC for Day 1</u> = 1 * 2,390 * S\$5 * 5.5% / 365 * 1 day = S\$1.80  <u>FC for Day 2</u> = 1 * 2,430 * S\$5 * 5.5% / 365 * 1 day = S\$1.83	(S\$3.63)
Closing Contract Value ( <i>Day 3</i> )	S\$11,800.00

Closing Commission (incl. GST) Per side per lot basis	(S\$10.70)
Net Loss	(S\$225.03)
Margin	S\$600.00
Return on Equity=(Net Gain/Original Investment)	(37.5%)

- World Indices CFD Short Example**

A customer is bearish on the Straits Times Index and shorts 1 lot of Straits Times Index SGD5 CFD worth S\$12,450 at a price of 2,490 points. The value of 1 index point is S\$5.

**Scenario 1: Positions are closed 3 days later at a lower value**

	CFD Bid	CFD Ask	Closing Price
DAY 1	2,490	2,496	2,500
Day 2			2,460
DAY 3	2,444	2,450	

Opening Contract of 1 Lot (Day 1)	S\$12,450.00
Opening Commission (incl. GST) Per side per lot basis	(S\$10.70)
Total Financing Charges Qty * Closing Price * Value of 1 Index Point * FC / 365 days * 1 day  FC for Day 1 = 1 * 2,500 * S\$5 * 3.0% / 365 * 1 day = S\$1.03  FC for Day 2 = 1 * 2,460 * S\$5 * 3.0% / 365 * 1 day = S\$1.01	(S\$2.04)
Closing Contract Value (Day 3)	(S\$12,250.00)
Closing Commission (incl. GST) Per side per lot basis	(S\$10.70)
Net Gain	S\$176.56
Margin	S\$622.50
Return on Equity=(Net Gain/Original Investment)	28.4%

**Scenario 2: Positions are closed 3 days later at a higher value**

	CFD Bid	CFD Ask	Closing Price
DAY 1	2,490	2,496	2,500
Day 2			2,460
DAY 3	2,524	2,530	

Opening Contract of 1 Lot (Day 1)	S\$12,450.00
Opening Commission (incl. GST) Per side per lot basis	(S\$10.70)

Total Financing Charges Qty * Closing Price * Value of 1 Index Point * FC / 365 days * 1 day	
<u>FC for Day 1</u> = 1 * 2,500 * S\$5 * 3.0% / 365 * 1 day = S\$1.03	(S\$2.04)
<u>FC for Day 2</u> = 1 * 2,460 * S\$5 * 3.0% / 365 * 1 day = S\$1.01	
Closing Contract Value (Day 3)	(S\$12,650.00)
Closing Commission (incl. GST) Per side per lot basis	(S\$10.70)
Net Loss	(S\$223.44)
Margin	S\$622.50
Return on Equity=(Net Gain/Original Investment)	(35.9%)

- **Margin Call Example on Singapore Shares CFD**

Initial Deposit = S\$5,000 cash<sup>26</sup>

**[First Day]**

- **BUY 2 lots of Share A @ S\$7.00, and Share A closed @ S\$7.05**
- Opening commission = Commission x Qty<sub>A</sub> x Opening Price<sub>A</sub> x GST = 0.3% x 2,000 x S\$7.00 x 1.07 (incl. GST) = S\$44.94
- Finance Charge = Qty<sub>A</sub> x Closing price<sub>A</sub> x FC p.a./ 365 days x 1 day = 2,000 x S\$7.05 x 5.5% ÷ 365 x 1 = S\$2.12
- Unrealized Profit/Loss (marked-to-market at day end) = (Closing Price<sub>A</sub> – Opening Price<sub>A</sub>) x Qty<sub>A</sub> = (S\$7.05 – S\$7.00) x 2,000 = S\$100
- Maintenance Margin = Qty<sub>A</sub> x Closing Price<sub>A</sub> x 20% = 2,000 x S\$ 7.05 x 20% = S\$2,820
- Equity Balance = Cash deposits – Opening commission<sub>A</sub> – FC<sub>A</sub> + Unrealized Profit/Loss<sub>A</sub> = S\$5,000 – S\$44.94 – \$2.12 + S\$100 = S\$5,052.94
- **Available Balance = Equity Balance – Maintenance Margin<sub>A</sub> = S\$5,052.94 – S\$2,820 = S\$2,232.94**

**[Second Day]**

- **SELL 3 lots of Share B @ S\$3.30, and Share B closed @ S\$3.30**
- Opening commission = Comm. x Qty<sub>B</sub> x Opening Price<sub>B</sub> x GST = 0.3% x 3,000 x S\$3.30 x 1.07 (incl. GST) = S\$31.78
- Finance Charge for Share B = Qty<sub>B</sub> x Closing price<sub>B</sub> x FC p.a./ 365 days x 1 day = 3,000 x S\$3.30 x 8% ÷ 365 x 1 = S\$2.17
- Unrealized Profit/Loss (marked-to-market at day end) = (Closing Price<sub>B</sub> – Opening Price<sub>B</sub>) x Qty<sub>B</sub> = (S\$3.30 – S\$3.30) x 3,000 = S\$0
- **Share A closed @ S\$6.50**
- Finance Charge for Share A = FC<sub>A</sub> for Day 1 + FC<sub>A</sub> for Day 2 = S\$2.12 + [Qty<sub>A</sub> x Closing price<sub>A</sub> x FC p.a./ 365 days x 1 day] = S\$2.12 + [2,000 x S\$6.50 x 5.5% ÷ 365 x 1] = S\$2.12 + S\$1.96 = S\$4.08
- Unrealized Profit/Loss (marked-to-market at day end) = (Closing Price<sub>A</sub> – Opening Price<sub>A</sub>) x Qty<sub>A</sub> = (S\$6.50 – S\$7.00) x 2,000 = (S\$1,000)
- Maintenance Margin = (Qty<sub>A</sub> x Closing Price<sub>A</sub> x 20%) + (Qty<sub>B</sub> x Closing Price<sub>B</sub> x 20%) = (2,000 x S\$6.50 x 20%) + (3,000 x S\$3.30 x 20%) = S\$4,580
- **Equity Balance = Cash deposits – Opening commission<sub>A</sub> – FC<sub>A</sub> – Opening commission<sub>B</sub> – FC<sub>B</sub> – Unrealized Profit/Loss = S\$5,000 – S\$44.94 – S\$4.08 – S\$31.78 - S\$2.17 – S\$1,000 = S\$3,917.03**

- Available Balance = \$0 (Maintenance Margin > Equity Balance)  
**Margin Deficit** (Amount to top up for Margin Call) = **Maintenance Margin – Equity Balance = S\$4,580 – S\$3,917.03 = S\$662.97**

### EQUITY BALANCE < 20% PORTFOLIO MARKET VALUE

This is a margin call situation. Including the call day, customer has 2 business days to top up the Margin Deficit.

#### [Third Day]

When prices change drastically, customer may face a Force-selling Call.

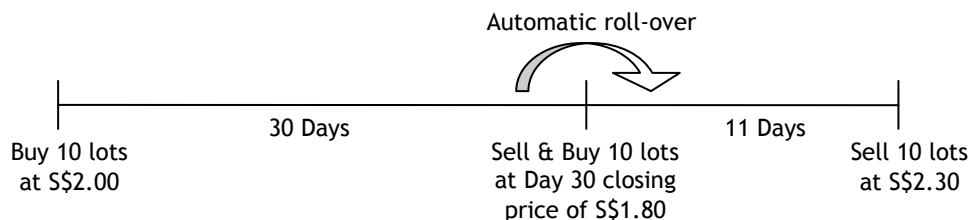
- Share A closed @ S\$5.85**
- Finance Charge for Share A = FC<sub>A</sub> for Day 1 + FC<sub>A</sub> for Day 2 + FC<sub>A</sub> for Day 3 = S\$2.12 + S\$1.96 + [Qty<sub>A</sub> x Closing price<sub>A</sub> x FC p.a./ 365 days x 1 day] = 2,000 x S\$5.85 x 5.5% ÷ 365 x 1 = S\$2.12 + S\$1.96 + S\$1.76 = S\$5.84
- Share B closed @ S\$4.12**
- Finance Charge for Share B = FC<sub>B</sub> for Day 2 + FC<sub>B</sub> for Day 3 = S\$2.17 + [Qty<sub>B</sub> x Closing price<sub>B</sub> x FC p.a./ 365 days x 1 day] = S\$2.17 + [3,000 x S\$4.12 x 8% ÷ 365 x 1] = S\$2.17 + \$2.71 = S\$4.88
- Unrealized Profit/Loss (marked-to-market at day end) = [(Closing Price<sub>A</sub> – Opening Price<sub>A</sub>) x Qty<sub>A</sub>] + [(Closing Price<sub>B</sub> – Opening Price<sub>B</sub>) x Qty<sub>B</sub>] = [(S\$5.85 – S\$7.00) x 2,000] + [(S\$4.12 – S\$3.30) x 3,000] = (S\$2,300) + (S\$2,460) = (S\$4,760)
- Maintenance Margin = (Qty<sub>A</sub> x Closing Price<sub>A</sub> x 20%) + (Qty<sub>B</sub> x Closing Price<sub>B</sub> x 20%) = (2,000 x S\$5.85 x 20%) + (3,000 x S\$4.12 x 20%) = S\$4,812
- Equity Balance = Cash Deposits – Opening Commission<sub>A</sub> – FC<sub>A</sub> – Opening Commission<sub>B</sub> - FC<sub>B</sub> - Unrealized Profit/Loss = S\$5,000 – S\$44.94 – S\$5.84 – S\$31.78 – S\$4.88 – S\$4,760 = S\$152.56**
- Available Balance = \$0 (Maintenance Margin > Equity Balance)
- Margin Deficit** (Amount to top up for Margin Call) = **Maintenance Margin – Equity Balance = S\$4,812 – S\$152.56 = S\$4,659.44**

### EQUITY BALANCE < 5% PORTFOLIO MARKET VALUE

This is a Force-liquidation Call, and customer has 1 business day, which is the call day itself, to top up the Margin Deficit.

#### • Contract Renewal Example

A customer bought 10,000 shares of Stock CC (listed on SGX and non-STI component stock) at S\$2.00. Customer decides to continue holding the position beyond 30 calendar days, such that an automatic roll-over takes place on Day 30, at the closing price of S\$1.80. The position is closed off 11 days following the roll-over, at price of S\$2.30. (Assume daily marked-to-market prices remain constant for first 30 calendar days at S\$2.00 and prices remain constant for the next 11 days at the rollover price of S\$1.80)



#### On 30<sup>th</sup> Calendar Day (Contract Renewal Date)

- Old contract closed: Realized losses (S\$2.00-S\$1.80) \* 10,000 shares = (S\$2,000) will be debited from CFD account
- A new BUY CFD contract based on S\$1.80 would be initiated
- There will be no commission charges for the closed contract and new contract initiated.
- Finance charges for the past 30 days will be realized based on daily marked-to-market prices

Opening contract value (Day 1)	S\$20,000
Opening commission (Day 1, incl. GST)	(S\$64.20)
Realized Profit / Loss (Day 30)	(S\$2,000)
Realized finance charge (Day 30)	(S\$90.41)
New opening contract value (Day 30)	S\$18,000
Closing commission (Day 41, incl. GST)	(S\$73.83)
Realized finance charge (Day 31-41)	(S\$29.84)
Realized Profit / Loss (Day 31-41)	S\$5,000

### 23. Disclaimers

This document is provided to you for general information only and does not constitute a recommendation, an offer or solicitation to purchase or sell the product mentioned herein. It does not have any regard to your specific investment objectives, financial situation and any of your particular needs. Accordingly, no warranty whatsoever is given and no liability whatsoever is accepted for any loss arising whether directly or indirectly as a result of you acting based on this information. Investments are subject to investment risks. You should also consider the commission and finance costs involved for trading CFDs. The resulting deficits in your account are subject to penalty charges. The value of investments denominated in foreign currencies may diminish or increase due to changes in the rates of exchange. You are advised to read the CFD Terms and Conditions before undertaking transactions in CFDs. The Terms & Conditions can be obtained online at [www.poems.com.sg](http://www.poems.com.sg) or from Phillip Securities Pte Ltd.

**You may wish to obtain advice from a qualified financial adviser, pursuant to a separate engagement, before making a commitment to purchase any of the investment products mentioned herein. In the event that you choose not to obtain advice from a qualified financial adviser, you should assess and consider whether the investment product is suitable for you before proceeding to invest and we do not offer any advice in this regard unless mandated to do so by way of a separate engagement.**

CFD trading carries a high degree of risk and may not be suitable for customers whose investment objective is preservation of capital and/or whose risk tolerance is low. Customers are advised to understand the nature and risks involved in margin trading. Customers should note that any CFD offered is not approved or endorsed by the issuer or originator of the underlying security and that the issuer or originator is not privy to the CFD contract. Phillip Securities Pte Ltd reserves the right to amend this document without prior notice. You are advised to read carefully and understand the Risk Disclosure Statement from [www.phillipcfid.com/download/phillipCFDRiskDisclosureStatement.pdf](http://www.phillipcfid.com/download/phillipCFDRiskDisclosureStatement.pdf) before undertaking transactions in CFDs.

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**24. Product Summaries (Appendices)**

**a. Shares CFD**

**b. Shares Direct Market Access (DMA)**

**c. ETF CFD**

**d. World Indices CFD**

# Phillip Shares CFD

## Product Summary

### 1. What is Shares CFD?

It is a form of Contracts for Difference (CFD) that allows customers to trade the underlying stock.

### 2. Key Features of Shares CFD

**Portfolio Diversification**

Customers are able to diversify their portfolio with stocks from Singapore, Hong Kong, Malaysia and the United States. To see which Shares CFD counters are available for trading with Phillip CFD, please refer to [www.phillipcfd.com](http://www.phillipcfd.com).

**Short Position**

A Shares CFD allows customers to take a position on a stock (equity) without actually having to buy and sell the shares themselves. Therefore, CFD customers can take short positions, and not be limited to the T+3 days' contra period or the need to engage in SBL<sup>27</sup>.

**Leverage**

As CFDs are leveraged products and traded on margin, customers only need a small percentage (as low as 10% for Shares CFD) of the total contract value to establish a position.

*Note: PSPL reserves the right to vary the required margin for the underlying securities and limit each customer's trading limit without prior notice*

### 3. Time Submission

	Singapore	Malaysia	Hong Kong	United States
<b>Market trading Hours:</b>	0901hrs – 1659hrs <sup>28</sup>	0901hrs – 1230hrs 1430hrs – 1645hrs	0916hrs – 1200hrs 1300hrs – 1558hrs	2130hrs – 0359hrs next day (DS <sup>29</sup> ) OR 2230hrs – 0459hrs next day (Non-DS <sup>13</sup> )
<b>Non-submission period</b>	1659hrs – 1715hrs	0500hrs – 0700hrs 1645hrs – 1700hrs	1558hrs – 1615hrs	0359hrs – 0415hrs, 0500hrs – 0700hrs (DS <sup>30</sup> ) OR 0459hrs – 0700hrs (Non-DS <sup>30</sup> )
<b>Partially Done Order<sup>30</sup>:</b>	Yes	Yes	Yes	Yes

### 4. Order Execution

• **Order Fill**

All orders are done based on the Bid/Ask Price of the underlying counter. Investors who want to Buy (Long) a CFD counter can submit a Buy order based on the current **Ask**

Price, or queue below the current **Ask** price. The order will be executed once the desired Ask price is triggered.

Conversely, a customer can also submit a Sell (Short) CFD order based on the current **Bid** Price, or queue above the current **Bid** price. The order will be executed once the desired Bid price is triggered.

Last Done price (based on cash market) and orders which are submitted between the current bid/offer spread will also not trigger the execution of the trade.

Short selling of Hong Kong Shares CFD is subject to uptick rule restriction. Customers who want to Sell (Short) Hong Kong CFD Shares must queue one bid higher than the current **Bid** price.

Example:

The Current CFD Bid/Ask price of counter ABC is S\$7.94/S\$7.95. (Illustration A)

A customer can either Buy @ the current market price of S\$7.95 or he can choose to place a queue order to Buy lower than S\$7.95. In this case, the customer submitted a queue order to **buy (Long)** 10,000 ABC shares @ S\$7.94.

The Buy trade would be executed once the CFD Ask price is triggered. (Illustration B) Last Done Price would not trigger the order to get done.

**Illustration A**

Last Done Price will not trigger the order to be executed

Chart	Contract	R	CFD Bid	CFD Ask	Buy Vol	Sell Vol	Total Vol	Last Done	Change	%Change	Open	High	Low
C	ABC		7.940	7.950	90	133	6,541	7.940	-0.080	-0.998	7.970	8.000	7.910

**Illustration B**

Order will be done

Chart	Contract	R	CFD Bid	CFD Ask	Buy Vol	Sell Vol	Total Vol	Last Done	Change	%Change	Open	High	Low
C	ABC		7.93	7.94	90	133	6,541	7.940	-0.080	-0.998	7.970	8.000	7.910

*The above examples are for illustration only. Please see below for the types of order fill and the conditions.*

- **Types of Order Fill**

Shares CFD orders can be **fully done**, **partially done** or **fully rejected**. For partially done orders, the executed quantity will be less than the submitted quantity by the CFD customer. The partially done quantity will be executed solely at the discretion of Phillip CFD depending on the liquidity of the stock and the underlying market circumstances. When this happens, the CFD order status of the remaining unfilled orders will be stated as “working”.

In accordance with the changes in market conditions and its risk management policies, Phillip CFD reserves the right to reject all new orders for underlying counters that Phillip CFD offers, especially for shorting.

## 5. Order Types and Queue Restrictions

### Definition of different order types

Limit Order	An order to buy or sell at a specific price upon submission (or better). The order entered must be at prevailing market prices, or better as compared to the current market’s quotes, otherwise the order will be rejected.
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Stop Limit Order	An order that combines the features of stop order and a limit order. Once the stop price is reached, the stop-limit order becomes a limit order to buy or to sell at a specified price (or better).
Trailing Stop Order	A trailing stop limit order is a stop limit order set at a percentage below/above the market price (For Long/Short position). The price is adjusted as the market price fluctuates.
One Cancels Other (OCO) Order	An order stipulating that if one part of the order is executed, the other part is automatically cancelled.
If Done Order	A contingent order that is a limit order which will not be activated until the parent order is executed.
Contingency Order	A limit order that is not activated until the specified condition is met.
Market Order	An order to buy or sell a stock at the current market price.

- **Limit Order for Shares CFD**

Buy order will be done when price indicated is the same as the Ask Price, after pre-execution checks are satisfied.

Sell order will be done when price indicated is the same as the Bid Price, after pre-execution checks are satisfied.

Market:	Queue restrictions for limit order type:
Singapore	Queue up to +/-20% from the current Bid/Ask price
Hong Kong	Queue up to +/-20 bids from the current Bid/Ask price
Malaysia	Queue up to +/- 30% from the current Bid/Ask price
United States	Queue up to +/- 15% from the current Bid/Ask price

- **Synthetic Orders** (Stop Limit, Trailing Stop Limit, If Done, Contingency and OCO [One-cancels-other])

Synthetic orders are available on CFTrader 2 for Shares CFD trades. For all synthetic orders submitted via CFTrader 2, pre-execution checks such as account status, fund sufficiency, credit limit adequacy and short selling availability will be performed upon order triggering instead of order submission. Short-sell orders may be rejected much later as a result.

Order triggering example:

Market price for counter A is S\$3.90/ S\$3.91 (CFD Bid/ CFD Ask) at 1000hrs.

Customer places the following order:

<b>Platform</b>	CFTrader 2
<b>Action</b>	New Short Sell
<b>CFD Type</b>	Shares CFD
<b>Order Type</b>	Stop Limit order
<b>Stop Price</b>	S\$3.88
<b>Limit Price</b>	S\$3.85
<b>Quantity</b>	20 lots

At 12pm, if the market price drops to S\$3.88/ S\$3.89, it matches the stop price (CFD Bid). The stop limit order is triggered, thereby prompting the system to perform availability (quantity) check for this counter. If system returns with a nil quantity available, the order

will be rejected. The above order is rejected at order trigger and not at the order submission.

- **Market Order (only for US markets)**

A market order is an order to buy or sell Shares CFDs at the current market price. The customer only indicates the quantity to be executed and the system will generate a fill. It should be noted that the price which the customer pays when the customer's order is executed may not always be the price he/she obtained from the price quotes. This may be especially true in fast-moving markets where CFD prices are generally more volatile. It should also be noted that orders submitted before US Trading hours could be done at a worse off price, in the event that the market gaps up or down.

**Customers should note that all orders will be closed out on a First-in First-out basis. Phillip CFD reserves the right to withdraw any orders in the event of a price error arising from an erroneous price feed.**

**Order Types available for the different countries**

Order Types	Shares CFD			
	Singapore	Malaysia	Hong Kong	United States
Limit Order	✓	✓	✓	✓
Stop Limit Order	✓	✓	✓	✓
Trailing Stop Order	✓	✓	✓	
OCO Order	✓	✓	✓	
If Done	✓	✓	✓	
Contingency Order	✓	✓	✓	
Market Order				✓

# Phillip Shares Direct Market Access (DMA) CFD Product Summary

CONTRACTS FOR DIFFERENCE (Direct Market Access) ([www.phillipcfid.com](http://www.phillipcfid.com)) Updated: 1 April 2012

## 1. What is CFD Direct Market Access (DMA)?

Phillip Securities Pte Ltd (“PSPL”) sends a corresponding stock order to the respective exchange upon receipt of the customer’s (DMA) CFD order, allowing customers to participate in the order book of the exchange and liquidity of the market.

## 2. Key Features of Phillip (DMA) CFD

### **Participate in the order book of the exchange**

Phillip (DMA) CFD allows customers to participate in the order book of the exchange and this gives customers greater visibility and control of their orders. Customers can also participate in the pre-opening and pre-closing sessions of the exchange.

### **Placing of Overnight Orders**

Phillip (DMA) CFD allows customers to place overnight orders for the next trading day.

### **Order Execution**

Orders are done based on last done price, based on price/time priority (not bid/ask price)

## 3. Phillip (DMA) CFD Contracts Available

To download the latest list of (DMA) CFD contracts available for trading with Phillip CFD, please visit our CFD website at [www.phillipcfid.com](http://www.phillipcfid.com).

## 4. (DMA) CFD Opt In Process

(DMA) CFD facility will be automatically granted to new and existing Phillip Securities customers who sign up for a CFD account after 7 May 2010.

CFD customers who opened their accounts before 7 May 2010 can start trading (DMA) CFD by submitting the Opt-In form online. The form is accessible by logging into POEMS>CFD>Forms. Access to the (DMA) CFD trading page will be given automatically. After opting in to DMA trading, customers can access both CFD and (DMA) CFD trading modules.

## 5. Placing Orders

Phillip (DMA) CFD orders can be placed through POEMS, Phillip CFDTrader 2 or through the customer’s Trading Representative.

## 6. Order Types

Order Types	Limit Order	Stop Limit Order	Trailing Stop Order	OCO Order	If Done	Contingency Order	Market Order
Shares CFD (DMA)	✓	✓	✓	✓	✓	✓	

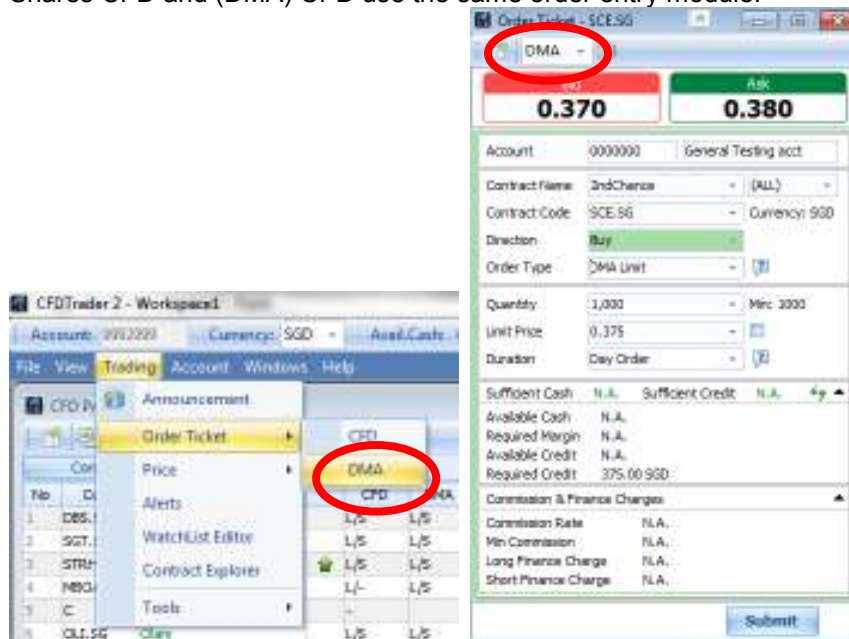
## 7. (DMA) CFD on POEMS

Customers can access (DMA) CFD via the (DMA) CFD trading module which is separate from the Shares CFD trading module.



## 8. (DMA) CFD on CFDTrader 2

Customers can key in (DMA) CFD orders on CFDTrader 2 by selecting “DMA” under Order Ticket. Customers are advised to exercise caution when using CFDTrader 2 as both Shares CFD and (DMA) CFD use the same order entry module.



## 9. Market Trading and Order Submission Hours

Market	Singapore	
Market Trading Hours:	Pre-Open Session	0830hrs to 0859hrs
	Non-Cancel Period <sup>31</sup>	0859hrs to 0900hrs
	Trading Session	0900hrs to 1700hrs
	Pre-Close Session	1700hrs to 1705hrs
Order Submission Period:	0700hrs to 1705hrs 1716hrs to 0500hrs (next day)	
Non-submission Period:	1705hrs to 1715hrs 0500hrs to 0700hrs	

## 10. (DMA) CFD Order Execution

Customers may close out an existing (DMA) CFD position by submitting an order based on the opposite leg of an existing (DMA) CFD position. All orders are closed out based on a first-in-first-out (FIFO) basis. **Please note that a Shares CFD order cannot be used to close out a (DMA) CFD position and vice-versa. Should the customer choose to do so, he will end up with open positions on both Shares CFD and (DMA) CFD and may require additional margin.**

## 11. Lot Size and Queue Restrictions for (DMA) CFD

The lot sizes will follow the respective exchange's ready market board lot size. Please refer to the Phillip CFD product list at [www.phillipcfid.com](http://www.phillipcfid.com) for respective lot sizes.

Order Type	Order Entry Queue Restrictions
Limit Order	+/- 20 bids from last done price
Stop Limit Order	+/- 20 % from last done price
Trailing Stop Order	+/- 20 % from last done price
OCO Order	+/- 20 % from last done price
If Done	+/- 20 % from last done price
Contingency Order	+/- 20 % from last done price

### Stop Limit Order example:

Market price for counter A is S\$3.90/ S\$3.92 [(DMA) CFD Bid/ (DMA) CFD Ask] and Last Done Price is \$3.91 at 1000hrs.

Customer places the following order:

<b>Platform</b>	CFDTrader 2
<b>Action</b>	New Short Sell
<b>CFD Type</b>	(DMA) CFD
<b>Order Type</b>	Stop Limit order
<b>Stop Price</b>	S\$3.13
<b>Limit Price</b>	S\$3.03
<b>Quantity</b>	20 lots

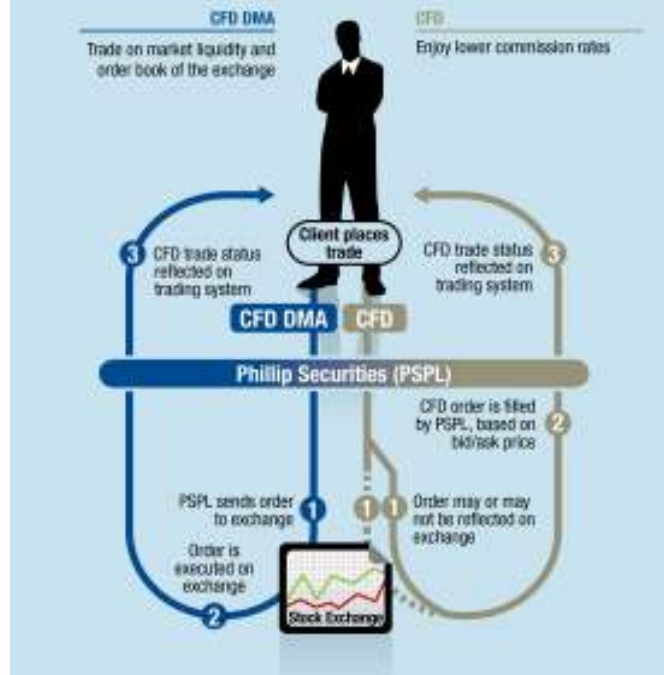
At 1200hrs, the last done price drops to S\$3.13, which triggers the stop limit order. The system will send in a limit order at S\$3.03 and perform availability (quantity) check. The above order can be filled at S\$3.03 or better, depending on availability. If the system returns with a nil quantity available, the order will be rejected. As such, the order rejection occurs at order trigger and not at the order submission.

## 12. Comparison between (DMA) CFD & Shares CFD

	(DMA) CFD	Shares CFD
<b>Participate in order book of exchange</b>	<input type="radio"/> Yes	<input type="radio"/> No
<b>Participate in liquidity of the market</b>	<input type="radio"/> Yes	<input type="radio"/> No
<b>Pre &amp; Post Auction</b> Participate in pre-opening & pre-closing trading sessions	<input type="radio"/> Yes	<input type="radio"/> No
<b>Commission<sup>32</sup></b>	<input type="radio"/> 0.33%	<input type="radio"/> 0.2% or 0.3%
<b>Capital Outlay</b>	<input type="radio"/> from 10%	<input type="radio"/> from 10%

### Graphical Comparison between Shares CFD and (DMA) CFD

## What is Contracts for Difference (CFD) Direct Market Access (DMA)?



# Phillip ETF CFD

## Product Summary

### 1. What is ETF CFD?

It is a form of Contracts for Difference (CFD) that allows customers to trade the underlying Exchange Traded Funds (ETF) listed on various markets. It aims to track, replicate or correspond to a multiple of the performance of the benchmark index that they track.

- Singapore Stock Exchange (SGX)
- Hong Kong Stock Exchange (HKSE)
- United States (AMEX & NASDAQ)

For more information on ETFs, please visit [www.phillipetf.com](http://www.phillipetf.com).

### 2. Key Features of ETF CFD

- Trade Entire Stock Markets**  
ETF CFD allows customers to gain exposure to a diversified portfolio of securities and/ or assets through a single transaction. The range of ETFs offered on the AMEX market ranges from currencies funds, indices to commodities.
- Increased Leverage, More Trading Power**  
ETF CFD enables customers to leverage up to 5 times the capital outlay, allowing customers to pay only a fraction of the underlying capital required.
- Participate in Rising & Falling Markets**  
ETF CFD gives customers added flexibility as it allows customers to take long or short positions.

### 3. ETF CFD Contracts Available

To download the latest list of ETF CFD contracts available for trading with Phillip CFD, please visit our CFD website at [www.phillipcfid.com](http://www.phillipcfid.com).

### 4. Time Submission

	Singapore	Hong Kong	United States
<b>Market trading Hours:</b>	0901hrs – 1659hrs <sup>33</sup>	0916hrs – 1200hrs 1300hrs – 1558hrs	2130hrs – 0359hrs next day (DS <sup>34</sup> ) OR 2230hrs – 0459hrs next day (Non-DS <sup>13</sup> )
<b>Non-submission period</b>	1659hrs – 1715hrs	1558hrs – 1615hrs	0359hrs – 0415hrs, 0500hrs – 0700hrs (DS <sup>30</sup> ) OR 0459hrs – 0700hrs (Non-DS <sup>30</sup> )
<b>Partially Done Order<sup>35</sup>:</b>	Yes	Yes	Yes

### 5. Order Types

- **Limit Order for ETF CFD**

Buy order will be done when price indicated is the same as the Ask Price, after pre-execution checks are satisfied.

Sell order will be done when price indicated is the same as the Bid Price, after pre-execution checks are satisfied.

Market:	Queue restrictions for limit order type:
Singapore	Queue up to +/-20% from the current Bid/Ask price
Hong Kong	Queue up to +/-20 bids from the current Bid/Ask price
United States	Queue up to +/- 15% from the current Bid/Ask price

- **Synthetic Orders** (Stop Limit, Trailing Stop Limit, If Done, Contingency and OCO [One-cancels-other])

Synthetic orders are available on CFDTrader 2 for Shares CFD trades. For all synthetic orders submitted via CFDTrader 2, pre-execution checks such as account status, fund sufficiency, credit limit adequacy and short selling availability will be performed upon order triggering instead of order submission. Short-sell orders may be rejected much later as a result.

- **Market Order (only for US markets)**

A market order is an order to buy or sell ETF CFDs at the current market price. The customer only indicates the quantity to be executed and the system will generate a fill. It should be noted that the price which the customer pays when the customer's order is executed may not always be the price he/she obtained from the price quotes. This may be especially true in fast-moving markets where CFD prices are generally more volatile. It should also be noted that orders submitted before US Trading hours could be done at a worse off price, in the event that the market gaps up or down.

**Customers should note that all orders will be closed out on a First-in First-out basis. Phillip CFD reserves the right to withdraw any orders in the event of a price error arising from an erroneous price feed.**

#### Order Types available for the different countries

Order Types	Shares (ETF) CFD		
	Singapore	Hong Kong	United States
Limit Order	✓	✓	✓
Stop Limit Order	✓	✓	✓
Trailing Stop Order	✓	✓	
OCO Order	✓	✓	
If Done	✓	✓	
Contingency Order	✓	✓	
Market Order			✓

## 6. Risks of ETF CFDs/ Leveraged ETFs

The key risks associated with ETFs and ETF CFDs include the following. Please note that the list is not exhaustive and is in addition to the risks of CFD trading as stated previously.

#### Counterparty risk

- (a) Counterparty risk involved in ETFs with full replication and ETFs with representative sampling strategies

An ETF using a full replication strategy generally aims to invest in all constituent stocks/assets in the same weightings as its benchmark. ETFs adopting a representative sampling strategy will invest in some, but not all of the relevant constituent stocks/assets. For ETFs that invest directly in the underlying assets rather than through synthetic instruments issued by third parties, counterparty risk tends to be less of concern.

- (b) Synthetic replication strategies

ETFs using a synthetic replication strategy use swaps or other derivative instruments to gain exposure to a benchmark. Currently, synthetic replication ETFs can be further categorized into two forms:

- i. Swap-based ETFs

Total return swaps allow ETF managers to replicate the benchmark performance of ETFs without purchasing the underlying assets. Swap-based ETFs are exposed to counterparty risk of the swap dealers and may suffer losses if such dealers default or fail to honour their contractual commitments.

- ii. Derivative embedded ETFs

ETF managers may use other derivative instruments e.g. access product to synthetically replicate the economic benefit of the relevant benchmark. The derivative instruments may be issued by one or multiple issuers. Derivative embedded ETFs are subject to the counterparty risk of the derivative instruments' issuers and may suffer losses if such issuers default or fail to honour their contractual commitments.

Even when collateral is obtained by an ETF, it is subject to the collateral provider fulfilling its obligations. There is a further risk that when the right against the collateral is exercised, the market value of the collateral could be substantially less than the amount secured resulting in significant loss to the ETF.

#### Tracking Error

There is a risk that the fund manager of the ETF may not be able to exactly replicate the performance of the underlying. This is known as the "tracking error". Tracking error may occur due to

- (i) methods of sampling are not 100% accurate
- (ii) impact of fees and expenses
- (iii) foreign exchange differences between the base currency or trading currency of an ETF and the currencies of the underlying investments, or
- (iv) corporate actions such as rights and bonus issues by the issuers of the ETF's underlying securities.

### Inverse (or 'short') ETFs

These ETFs track the movements of a short index. The short index moves inversely to its corresponding long index on a daily basis. So if the long stock index drops by 2%, the short index will increase by 2% less any fees. However, this relationship holds only on a day-to-day basis. The movement of a short ETF may not be equal to the simple inverse of the long index when measured over a period of more than one day. These ETFs are generally not intended for long term investments and are generally not suitable for retail investors who plan to hold them for longer than one day, particularly not in volatile markets.

### Leveraged ETF

Leveraged ETFs aim to track, replicate or correspond to a multiple of the performance of the benchmark index that they track. Currently, there are more than 100 different leveraged ETFs which track commodities, currencies and various stock indices.

It is critical to understand the time period for which the leverage applies. Each fund explicitly states this time period in its prospectus. It is important to note that the risk of loss from trading leveraged ETF can be magnified.

Generally, leveraged ETFs are designed to generate the multiplier results only on a daily basis. They are not designed for long term index tracking. The compounded performance of a leveraged ETF over a period of time may be significantly different from the index's performance times the leveraged ETF's stated multiple.

# Phillip World Indices CFD

## Product Summary

### 1. What is World Indices CFD?

It is a form of Contracts for Difference (CFD) that allows customers to trade the underlying stock indices. It tracks the level of the respective indices and thus, provides customers a cost-effective way to diversify their portfolio.

Product	Correlates with	Category
Straits Times Index SGD5 CFD	Straits Times Index	Cash-Derived
Singapore Index SGD20 CFD	MSCI Singapore	Cash-Correlating
FBM KLCI MYR10 CFD	Bursa Malaysia Kuala Lumpur Composite Index	Cash-Correlating
FTSE China A50 Index USD1 CFD	FTSE China A50 Index	Cash-Correlating
Hong Kong 40 Index HKD5 CFD	Hang Sang Index	Cash-Correlating
H Shares Index HKD5 CFD	China Enterprise Index (H-shares)	Cash-Correlating
Japan 225 Index JPY100 CFD	Nikkei 225	Cash-Correlating
Tokyo Index JPY1000 CFD	TOPIX	Cash-Correlating
Taiwan Index USD20 CFD	MSCI Taiwan	Cash-Correlating
Wall Street Index USD1 CFD	Dow Jones Industrial Average	Cash-Correlating
US SP 500 Index USD5 CFD	S&P 500	Cash-Correlating
US Tech 100 Index USD5 CFD	NASDAQ 100	Cash-Correlating
US Rus2000 Index USD10 CFD	Russell 2000	Cash-Correlating

### 2. Key Features of World Indices CFD

- Trade Entire Stock Markets**  
World Indices CFD allows customers to trade on the price movements of a stock market, without owning any of the stocks within that index. Customers have the added ability to protect their existing share portfolio against adverse market conditions by utilizing a World Indices CFD to hedge their exposure.
- Increased Leverage, More Trading Power**  
World Indices CFD enables customers to leverage 20 times the capital outlay, allowing customers to pay only a fraction of the underlying capital required.
- Participate in Rising & Falling Markets**  
World Indices CFD gives customers added flexibility as it allows customers to take long or short positions.

### 3. Contract Details

Minimum trade size for all World Indices CFD is 1 contract.

World	Value	Contra	Target	Initial Margin	Market Trading	Non-submission
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Indices CFD	of 1 Index Point	Contract Size	Spreads (points) <sup>36</sup>	(IM) / Maintenance Margin (MM) <sup>37</sup>	Hours (Monday to Friday, Singapore time)	Period (Monday to Friday, Singapore time)
Straits Times Index SGD5 CFD	S\$5	S\$5 x Straits Times Index CFD Price x Quantity	6	5%	0901hrs to 1659hrs <sup>38</sup>	1659hrs to 1715hrs 0500hrs to 0700hrs
Singapore Index SGD20 CFD	S\$20	S\$20 x Singapore Index SGD20 CFD Price x Quantity	0.3	5%	0831hrs to 1709hrs	1709hrs to 1725hrs 0500hrs to 0700hrs
FBM KLCI MYR10 CFD	RM10	RM10 x FBM KLCI MYR10 CFD Price x Quantity	3	5%	0846hrs to 1245hrs, 1430hrs to 1713hrs	1713hrs to 1730hrs 0500hrs to 0700hrs
FTSE China A50 Index USD1 CFD	US\$1	US\$1 x FTSE China A50 Index USD1 CFD Price x Quantity	20	5%	0901hrs to 1523hrs	1523hrs to 1545hrs 0500hrs to 0700hrs
Hong Kong 40 Index HKD5 CFD	HK\$5	HK\$5 x Hong Kong 40 Index HKD5 CFD Price x Quantity	20	5%	0916hrs to 1200hrs, 1300hrs to 1614hrs	1613hrs to 1630hrs 0500hrs to 0700hrs
H Shares Index HKD5 CFD	HK\$5	HK\$5 x H Shares Index HKD5 CFD Price x Quantity	14	5%	0916hrs to 1200hrs, 1300hrs to 1614hrs	1613hrs to 1630hrs 0500hrs to 0700hrs
Japan 225 Index JPY100 CFD	¥100	¥100 x Japan 225 Index JPY100 CFD Price x Quantity	10	5%	0746hrs to 1424hrs	1424hrs to 1440hrs 0500hrs to 0700hrs
Tokyo Index JPY1000 CFD	¥1000	¥1000 x Tokyo Index JPY1000 CFD Price x Quantity	1	5%	0801hrs to 1000hrs, 1130hrs to 1409hrs	1359hrs to 1415 hrs 0500hrs to 0700hrs

Taiwan Index USD20 CFD	US\$20	US\$20 x Taiwan Index CFD x Quantity	0.3	20%	0846hrs to 1344hrs	1344hrs to 1400hrs 0500hrs to 0700hrs
Wall Street Index USD1 CFD	US\$1	US\$1 x Wall Street Index CFD Price x Quantity	4/6	5%	0700hrs to 0400hrs (DS <sup>39</sup> ) 0700hrs to 0500hrs (Non-DS <sup>36</sup> )	0500hrs to 0700hrs
US SP 500 Index USD5 CFD	US\$5	US\$5 x US SP 500 Index CFD Price x Quantity	0.5	5%	0700hrs to 0400hrs (DS <sup>36</sup> ) 0700hrs to 0500hrs (Non-DS <sup>36</sup> )	0500hrs to 0700hrs
US Tech 100 Index USD5 CFD	US\$5	US\$5 x US Tech 100 Index USD5 CFD Price x Quantity	1	20%	0700hrs to 0400hrs (DS <sup>36</sup> ) 0700hrs to 0500hrs (Non-DS <sup>36</sup> )	0500hrs to 0700hrs
US Rus2000 Index USD10 CFD	US\$10	US\$10 x US Rus2000 Index USD10 Price x Quantity	0.5	5%	0801hrs to 0400hrs (DS <sup>36</sup> ) 0901hrs to 0500hrs (Non-DS <sup>36</sup> )	0500hrs to 0700hrs

#### 4. Order Types

Customers are only able to submit LIMIT, STOP LIMIT and OCO (One-Cancels-Other) orders for World Indices CFD.

- **Limit Order**

Buy limit orders will be done when price indicated is the same as the Ask Price, after pre-execution checks are satisfied.

Sell limit orders will be done when price indicated is the same as the Bid Price, after pre-execution checks are satisfied.

Market Last Done Price will not trigger any World Indices CFD orders to be done.

**Note:** The limit price entered must be a better price as compared to the current market's quotes; otherwise the order will be rejected.

- **Synthetic Orders** (Stop Limit and OCO [One-cancels-other])

For all synthetic orders submitted via CFDTrader 2, pre-execution checks such as account status, fund sufficiency, credit limit adequacy and short selling availability will be performed upon order triggering instead of order submission. Short-sell orders may be rejected much later as a result.

<b>World Indices CFD</b>	<b>Order Entry Queue Restrictions</b>
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Straits Times Index SGD5 CFD	Queue up to $\pm 20\%$ of current Bid/Ask price
Singapore Index SGD20 CFD	
FBM KLCI MYR10 CFD	
FTSE China A50 Index USD1 CFD	
Hong Kong 40 Index HKD5 CFD	
H Shares Index HKD5 CFD	
Japan 225 Index JPY100 CFD	
Tokyo Index JPY1000 CFD	
Taiwan Index USD20 CFD	
Wall Street Index USD1 CFD	
US SP 500 Index USD5 CFD	
US Tech 100 Index USD5 CFD	
US Rus2000 USD10 CFD	

All World Indices CFD submitted can be **partially done, fully done or rejected.**